

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3631 – HB 3919

February 5, 2010

SUMMARY OF BILL: Prohibits the State Funding Board from promulgating guidelines, rules and regulations for local government with respect to: (1) projects identified in local governments' budgets; (2) limitations on debt; (3) conditions, requirements, criteria and selection for professional services; and (4) assessments and reports.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the probability that some local government entities will make financial decisions involving debt issuance and asset management that will be more costly to them in the future. Local government expenditures for debt issuance could increase by amounts considered not significant up to a cumulative amount exceeding \$100,000 over time. In addition, the value of local government assets could erode as the result of poor investment decisions. The cumulative loss of value could range from not significant to a cumulative amount exceeding \$100,000 over time.

Assumptions:

- Based on responses received by the Office of the Comptroller and the Department of State, limiting the authority of the State Funding Board will not have any fiscal impact on state government.
- Based on information received by the Comptroller, this bill could result in higher costs to local governments as the result of bad financial decisions involving the debt issuance and asset investment.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director